



Greg Hassell
Marketing

Tobacco foes plan museum

IN CARTON stacked upon carton, Dr. Alan Blum has squirreled away an enormous collection of tobacco marketing memorabilia that's been 35 years in the gathering.

Flip open a carton here and you'll find medical journals from the 1920s and 1930s. Little bookmarks open directly to cigarette ads that encouraged doctors to look kindly upon Philip Morris or some other brand. "More doctors smoke Camels," one claims. An ad for Lucky Strike tells doctors smoking is a good alternative to the dangers of overeating.

Over there are some boxes containing about 500 T-shirts emblazoned with tobacco logos like Skoal, Kool and Joe Camel. There are the caps, key chains, sunglasses, denim jackets, cereal boxes and some ridiculous-looking running shorts.

Some of the most recent additions are a hundred or so boxes purchased from a Connecticut convenience-store owner who saved the piles of cigarette stuff that passed through his store.

"This is my favorite," says Blum, who practices family medicine in Houston. He beams as he admires a garish Joe Camel sign complete with an electronic message board. "Isn't that great?"

Admiration for the industry

As the tobacco ads used to put it, a look of total satisfaction crosses his face as he stands knee-deep in his treasures. Blum's mirth is a little surprising when you consider he's spent most of his adulthood battling tobacco companies and their persistent marketing efforts.

Isn't this the same man who once said, "There is no question in my mind that tobacco executives will be sentenced to jail terms for the malevolence of what they're doing right now"? Isn't this the same guy who has organized countless protests at tobacco-sponsored sporting events, whose zeal is enough to get him branded a zealot by other anti-smoking advocates?

You betcha. "I have to admire the tobacco industry, because they are so good at what they do," Blum said. "They are 20 years ahead of their opponents. These new FDA regulations on advertising won't touch them."

Blum has tenaciously collected scads of material on the business he loves to hate. But there's one major problem: His collection spends most of its time stuffed away in boxes, aside from the occasional exhibition — at a meeting of the New Hampshire Medical Society, for example.

So Blum has decided to make a change. He and his Houston-based organization, Doctors Ought to Care, plan to open a small museum this spring. It will be located in some office space on Kirby, at least until the group can drum up enough donations to get a free-standing building of its own. The group, which calls itself DOC for short, has its hopes set on something in the city's Museum District.

Cartoons attack smoking

Blum and Eric Solberg, DOC executive director, have already selected their first exhibit — the original art of Wayne Stayskal's editorial cartoons. The nationally syndicated cartoons have anti-smoking themes, like one criticizing the American Medical Society's pension fund for investing in tobacco companies.

"I can't say this strongly enough, Mr. Morson," a doctor tells his patient in one Stayskal cartoon. "If your cigarettes are made by anyone other than Philip Morris or Reynolds Industries, you've got to stop smoking!"

According to Blum, humor is the key to winning the war against tobacco companies. He points to Britain, where tobacco ads are strictly curtailed and tobacco companies haven't skipped a beat. They've adapted by adopting clever, indirect ads — promotions for Silk Cut smokes show only a pair of scissors and some purple silk — that are a hit with consumers.

"You can't ban everything. That only adds fuel to the fire," Blum said. "You need ridicule or satire to undermine something."

That means producing trading cards for kids promoting "Barboro" cigarettes. It also means showing consumers just how insistently tobacco advertising is being directed at them and, Blum believes, at their children.

"No one is giving people a chance to digest all this material being directed at us," Blum said. "DOC isn't going to be a bunch of people protesting in the street anymore. No more street theater. We want people to come to us and see all this for themselves."

If inventor and philosopher Buckminster Fuller was right when he said, "Don't fight forces, use them," then Blum may be on to something.

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Iraq's return softens oil markets

Houston Chronicle News Services

Supplies appear to be easing some

Most energy futures prices tumbled Tuesday, with Iraq's imminent return to world oil markets coming just as U.S. inventory data was expected to show supply tightness for heating oil and unleaded gasoline appears to be easing.

American oil refineries are producing distillate and unleaded gasoline at near-peak efficiency, while warm weather over much of the eastern half of the country appears to have curtailed demand.

As early as Saturday, Iraq could

begin selling about 580,000 barrels a day of crude oil to world markets over a six-month period to buy food and medicine.

Saddam Hussein was showered with flowers Tuesday after making a surprise appearance at a pumping station in Kirkuk, Iraq, to open the pipeline carrying the first Iraqi oil exports since the Persian Gulf War.

But 29,000 barrels later, Iraq stopped pumping oil to Turkey because it jumped the gun before

the United Nations formally approved any contracts for delivery of oil, U.N. officials said.

After the ceremony, the U.N. monitors from the Dutch firm Saybolt promptly shut down the pipeline until confirmation from New York that the contracts were approved, the U.N. officials added.

They said the mixup was not considered a serious breach of the agreement and would not affect its implementation.

"The reality of this Iraqi oil sale

is finally setting in," said Gerald E. Samuels, director of trading at ARB Oil. "While supplies are tight right now, people are starting to look at the larger picture that they won't stay that way."

Of course, it still isn't clear when the Iraqi oil will arrive in trading markets in the Mediterranean Sea and elsewhere. Some traders said they did not expect the oil to reach the market for another week or two. And the United Nations received only two

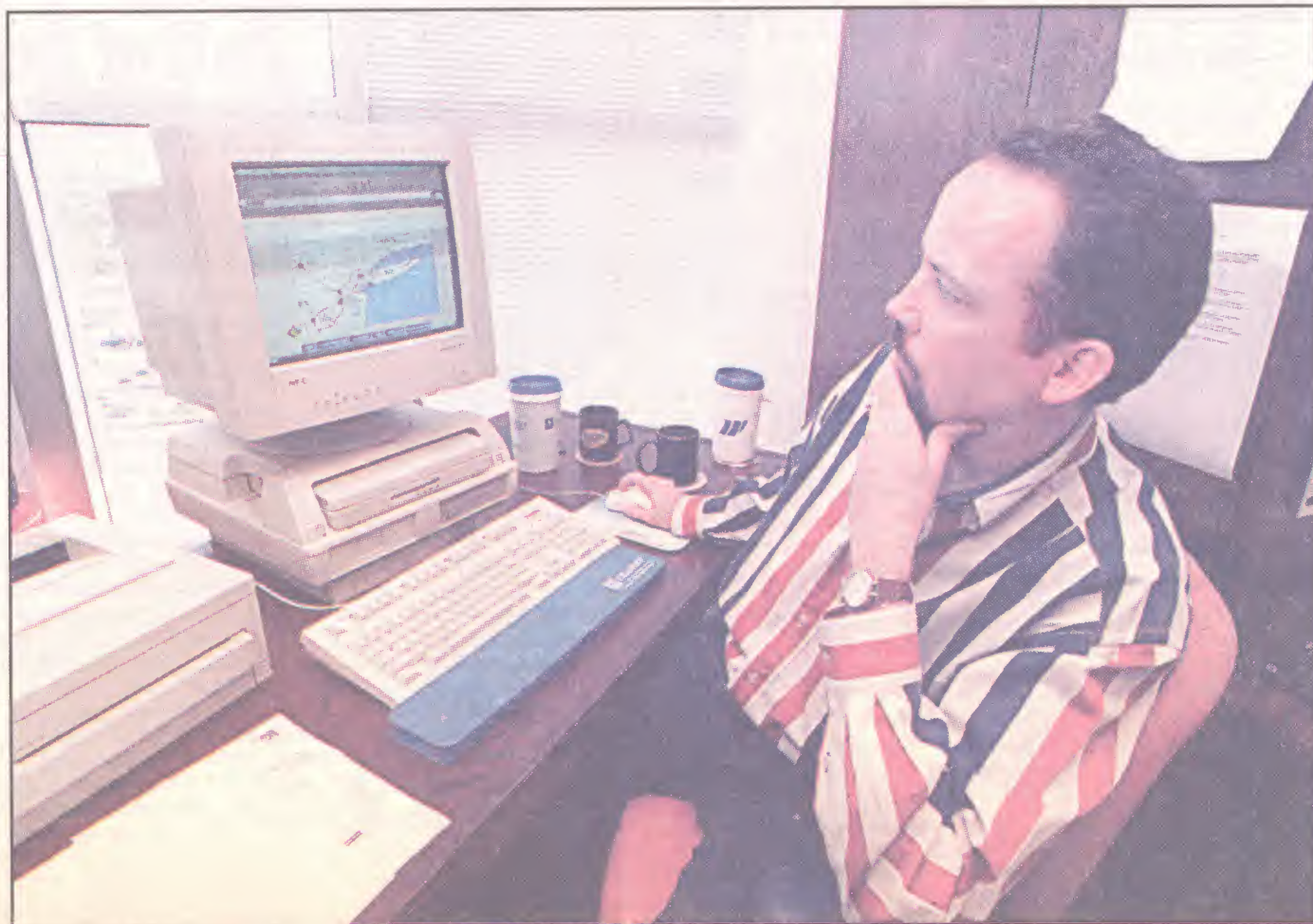
company contracts for the purchase of Iraqi barrels, one of which it returned "because it did not conform to procedures," said a U.N. spokesman who would not elaborate.

U.S. companies seeking to buy Iraqi oil can now request licenses to deal directly with the U.N. committee overseeing those sales, the Treasury Department said Tuesday.

Last week, Texaco Corp. said it would seek to buy some Iraqi oil. Other U.S. companies thought to have submitted contracts are

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Flow of information



John Everett / Chronicle

Brent Leafgreen, Transco's manager of system development, views pipeline data on the Internet. Using the Net for transactions would simplify handling gas electronically by creating a software standard to reach all the pipelines.

Net snaring gas pipeline firms

Industry eyes primary site for electronic commerce

By MICHAEL DAVIS
Houston Chronicle

The nation's large interstate pipelines are moving to make the Internet their new online marketplace.

Federal regulators and natural gas industry representatives will begin meeting Thursday in Washington, D.C., to fine-tune guidelines for using the Internet as the gas industry's primary site for electronic commerce.

Using the Internet as a common ground for the often complex transactions would simplify the task of handling gas electronically by creating one software standard to reach all the pipelines.

Previously, customers of the pipelines were issued proprietary software from each company, requiring them to log on and off in each company's individual system to do business with the pipelines.

But with the company's electronic bulletin boards available on the World Wide Web, the pipeline's customers can simply surf from home page to home page using browser software such as Netscape Navigator. Access will be restricted. Users will need a log-in and password to do transactions.

The Federal Energy Regulatory Commission earlier this year adopted a set of standards for basic methods of conducting natural gas business electronically.

"In the bulletin boards' original forms, we had 21 different bulletin board software programs," said Jim Thompson, system architect at Texaco Natural Gas in Houston. "It was a nightmare."

The standards for how pipelines do business on the Internet are expected to begin going into effect on April 1. A second round of guidelines, including the ones being hashed out this week, is expected by Aug. 1.

"It will make doing business a lot simpler," said Rae McQuade, executive director of the Gas Industry Standards Board, an industry group. "People won't have to re-learn every time they do business with a different company."

So far, two of the country's pipelines, KN Energy of Lakewood, Colo., and Houston-based Transco's Transcontinental Gas Pipeline, are allowing customers to reach their systems on the Internet. There they can carry out such transactions as bidding for capacity on the pipelines.

According to the FERC notice on the technical conference, the gas industry will use the Internet not merely as a means of transmitting information, but as the vehicle for conducting reliably and securely a number of crucial transactions including:

See INTERNET on Page 10C.

Enron taps Skilling for No. 2 job

New president heads energy marketing unit

By HILLARY DURGIN
Houston Chronicle

Jeffrey K. Skilling, the man who led the transformation of Enron Corp. into a major energy marketer, has won the No. 2 job at the giant Houston company.

Enron's board of directors named Skilling president and chief operating officer Tuesday, underscoring the company's commitment to competing in the natural gas and electric marketplaces.

Even after assuming the new position Jan. 1, Skilling will keep his current responsibilities as chairman and chief executive officer of Enron Capital & Trade Resources, the company's energy trading, marketing and finance subsidiary.

Since joining that group in 1990, Skilling, 43, has led the transformation of Enron's unregulated natural gas merchant business into one of the largest wholesale and retail marketers of natural gas and electric-

See ENRON on Page 10C.



Skilling

Federal rules to take aim at repetitive stress

By CASSANDRA BURRELL
Associated Press

WASHINGTON — Freed from congressional restraints, the government is moving ahead with new regulations to prevent repetitive motion injuries in the workplace, Labor Secretary Robert Reich said Tuesday.

The government also will begin an effort to stop repetitive stress impairments — the fastest-growing workplace injuries — through research and education, and by having inspectors check for infractions during their regular inspections, Reich told reporters.

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Business digest

INSIDE

Group calls new EPA proposal costly

An EPA plan to tighten air quality standards could cost consumers and oil refiners billions of dollars, an oil trade group said. The plan likely would lead to more counties requiring drivers to switch to costlier, cleaner-burning reformulated gasolines: **Page 2C.**

Agriculture Dept. takes steps against bias

Faced with a lawsuit and new evidence of unfair treatment of black farmers, the Agriculture Department said Tuesday it will take steps to settle long-standing discrimination complaints. The announcement came as black farmers from the Southeast planned to demonstrate Thursday in front of the White House. Blacks have complained that unequal treatment has aided in the decline of black agriculture: **Page 4C.**

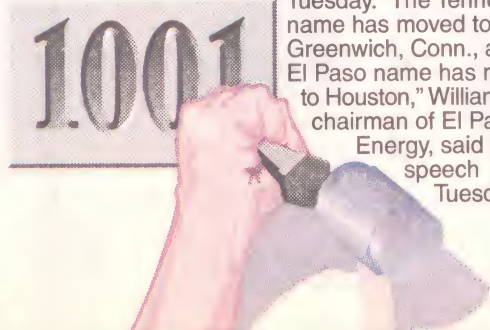
Some punitive-damage awards taxable

In a decision that cost victimized consumers tens of millions, the Supreme Court ruled Tuesday that some punitive-damage awards were subject to federal income taxes: **Page 4C.**

BRIEFCASE

Nothing tentative about this address change

El Paso Energy Corp. is not only changing the name of the former Tenneco building downtown, it's changing the address as well. For the last 30 years or so, the Tenneco building has listed its address as 1010 Milam. But El Paso Energy wants to firmly put its stamp on the company, so it will change the address to 1001 Louisiana. The old address had a particular significance to Tenneco, where it was headquartered since 1963 with its "ten" reference in the numerals. At one time it was the largest office tower in the Southwest. "Whenever Tenneco had the opportunity, it tried to incorporate a Tenn reference, such as the Tennwood golf club," said Christine LeLaurin, Tenneco Energy spokeswoman. El Paso Energy's \$4 billion deal to buy Tenneco Energy is expected to close later this week. Shareholders of both companies overwhelmingly approved the deal Tuesday. The Tenneco name has moved to Greenwich, Conn., and the El Paso name has moved to Houston, William Wise, chairman of El Paso Energy, said in a speech Tuesday.



MARKET SUMMARY

Dow	Oil	
The Dow Jones industrial average closed at 6,473.25 Tuesday.	Light, sweet crude oil for December closed at \$24.42 a barrel Tuesday on the New York Mercantile Exchange.	
6,550 6,500 6,450 6,400 6,350 6,300	\$26 25 24 23	
Up 9.31	Down 88¢	
2 3 4 5 6 9 10	2 3 4 5 6 9 10	
S&P 500	30-yr. T-Bonds	Natural gas
2.27	11/32	17.4¢
747.54	Yield 6.49%	\$3.396 / mcf
Dollar	Gold	Mexico stocks
0.10	80¢	28.06
113.41 yen	\$368.70	3,307.06